

BlockFi Inc.
Debtor

Case No. 22-19361
Reporting Period: May 1 - 31, 2023

MONTHLY OPERATING REPORT
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Notes to the Monthly Operating Report

This report includes activity from the following Debtor and its related Case Number:

Debtor	Case Number
BlockFi Inc.	22-19361

Notes to MOR:

On November 28th, 2022 (the "Petition Date"), BlockFi Inc. and eight of its affiliates (collectively, the "Debtors" or the "Company") filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On November 28, 2022, the court entered an order [Docket No. 18] authorizing joint administration and procedural consolidation of these Chapter 11 cases pursuant to Bankruptcy Rule 1015(b) under the lead case *In re BlockFi Inc., et al.*, Case No. 22-19361. On December 21, 2022, the United States Trustee for the District of New Jersey (the "U.S. Trustee") appointed an Official Committee of Unsecured Creditors (the "Creditors Committee") [Docket No. 131]. No request for the appointment of a trustee or examiner has been made in these Chapter 11 cases.

The Debtors are filing their Monthly Operating Report solely for the purposes of complying with the monthly operating report requirements applicable in the Debtors' Chapter 11 cases. The financial and supplemental information contained herein is presented on a preliminary and unaudited basis, remains subject to future adjustments, and may not comply in all material respects with generally accepted accounting principles in the United States of America ("U.S. GAAP") or International Financial Reporting Standards ("IFRS"). The consolidated balance sheet and income statement included herein include non-debtor entities, each of which are dormant entities with less than USD 10,000 in cash or cash equivalent assets. This Monthly Operating Report should not be relied on by any persons for information relating to future financial conditions, events, or performance of any of the Debtors or their affiliates. The financial information has been derived from the books and records of the Debtors. This information, however, has not been subject to certain procedures that would typically be applied to financial information in accordance with U.S. GAAP or IFRS, and upon application of such procedures, the Debtors believe that the financial information could be subject to changes, which could be material. The information furnished in this report includes primarily normal recurring adjustments but does not include all adjustments that would typically be made for financial statements prepared in accordance with U.S. GAAP or IFRS. The preparation of the Financial Statements and MOR required the Debtors to make commercially reasonable estimates and assumptions with respect to the reported amounts of assets and liabilities, the amount of contingent assets and contingent liabilities at month end, and the reported amounts of revenues and expenses during the applicable reporting periods. Actual results could differ from such estimates.

Except for cryptocurrency amounts owed to creditors and intercompany balances as of petition date, all information presented has been translated using prevailing prices as of UTC 23:59:59 as of the applicable period end.

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When determining the prices for digital assets and liabilities, the Company assesses the principal market in which to sell the digital assets or in the absence of a principal market, the most advantageous market. Market prices for such assets and liabilities may be volatile and not be readily ascertainable. In addition, the Company's ultimate realized value will be based on outcomes that are difficult to predict and outside of the control of the Company. As a result, amounts ultimately realized by the Company may differ from the fair values presented.

Client balances reflected in the financial statements and this Monthly Operating report are as of UTC 1:15:00 on November 11, 2022 (20:15:00 prevailing Eastern Time on November 10, 2022).

The Debtors reserve all rights to amend or supplement this Monthly Operating Report in all respects, as may be necessary or appropriate. Nothing contained in this Monthly Operating Report shall constitute a waiver of any of the Debtors' rights or an admission with respect to their Chapter 11 cases.

Debtor Full-Time Employees:

This MOR includes the number of full-time employees as of the Petition Date and May 31, 2023. As described in the Wages Motion [Docket No. 16], the Debtors also employ Independent Contractors located outside of the United States, whose salaries and benefits are included in the payroll amounts included in the MOR for the employing debtor entity.

Notes to MOR Part 1

For the avoidance of doubt, the bank accounts, cash balances and associated cash receipts and disbursements set forth do not include assets held in the customer accounts referred to as the BlockFi Wallet product as described in the *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to (A) Honor Withdrawals from Wallet Accounts, (B) Update the User Interface to Properly Reflect Transactions and Assets as of the Platform Pause, and (C) Conduct Ordinary Course Reconciliation of Accounts, and (II) Granting Related Relief* (the "Wallet Withdrawal Motion") [Docket No. 121]. As discussed in the Wallet Withdrawal Motion, the Debtors do not have a legal or equitable interest in the assets held in the Wallet Accounts; such held funds are owned by the Debtors' clients. Note that digital assets attributable to Wallet Accounts are separately captured in Part 2 under Inventory (2c).

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Notes to MOR Part 2 & MOR Part 4

The information contained in MOR Part 2 and MOR Part 4 is provided to fulfill the requirements of the U.S. Trustee. All information contained in MOR Part 2 and MOR Part 4 is unaudited and subject to future adjustment.

Accounts receivable (2a) represents the fair market value of digital asset loans ("Digital Asset Loans"), principal value of USD-denominated fiat and stablecoin loans without reserves ("USD Denominated Loans"), accrued and unpaid interest owed to BlockFi denominated in digital assets ("Digital Assets Receivable"), accrued and unpaid interest owed to BlockFi denominated in USD ("Interest Receivable"), default or penalty interest where applicable ("Default Interest"), and intercompany receivables between BlockFi entities ("Intercompany Receivables").

Inventory (2c) only includes digital assets held in custody at entities which are not undergoing their own bankruptcy proceedings, and thus excludes digital assets BlockFi holds with FTX.com.

Post-petition payables (2f) include general accounts payable and other accrued expenses and liabilities. Any post-petition interest accrued pursuant to the terms and conditions of any client agreements is included as liabilities subject to compromise (2m).

Selling expenses (4d) and General and Administrative expenses (4e) reflect the utilization of discounts and pre-payments thus creating contra expenditures in certain instances.

Other expenses (4f) reflect the impact of price changes during the reporting period for digital asset translation adjustments. Any post-petition interest accrued pursuant to the terms and conditions of any client agreements is included as liabilities subject to compromise.

Notes to MOR Part 5

Certain professional fees were paid out of BlockFi Inc. bank accounts on behalf of BlockFi International Ltd. As such, the professional fees included in Part 5 represent those allocable to BlockFi Inc.

Notes to MOR Part 7

Pursuant to certain orders of the Court in the Chapter 11 cases entered shortly after the Petition Date [Docket Nos. 43-44, 49, 50-52, and 55] (collectively, the "First Day Orders"), the Debtors were granted authority to pay certain outstanding prepetition payables, including payments outlined in the Cash Management, Tax, Utility, Insurance, Critical Vendor, and Wage Motions [Docket Nos. 7, 9-11, 13, and 16, respectively].

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SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Debtor name:	BlockFi Inc.
Case number:	Case No. 22-19361
CASH BEGINNING OF PERIOD	\$ 221,713,702
RECEIPTS	
Return of Collateral	150,000
Other Receipts	4,174
Interest Income	2,301
TOTAL RECEIPTS	156,475
DISBURSEMENTS	
Professional Fees	10,158,749
Salaries & Benefits	3,593,396
Operating Expenses	1,118,832
Taxes & Fees	2,477
Rent	1,300
TOTAL DISBURSEMENTS	14,874,755
NET CASH FLOW	
(RECEIPTS LESS DISBURSEMENTS)	(14,718,280)
CASH END OF MONTH	\$ 206,995,422

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PART 2
CONSOLIDATED BALANCE SHEET (UNAUDITED)

Debtor name:	BlockFi Inc
Case number:	22-19361
Line item	Current Period
ASSETS	
CURRENT ASSETS	
Cash	\$ 282,630,090
Restricted Cash	330,041
Stablecoin Held	28,027,094
Digital Assets Held	416,874,464
Indemnification Asset	442,789,089
Digital Assets Loaned	2,479,627
Loans, Net	198,720,819
Collateral Receivable	29,884,026
Claims on Debtors in Bankruptcy (Estimate)	1,540,377,668
Mining Assets	48,833,998
Other Current Assets	15,263,455
TOTAL CURRENT ASSETS	3,006,210,371
NON-CURRENT ASSETS	
Deferred Tax Assets	150,700,000
Deferred Tax Assets, Valuation Allowance	-150,700,000
Other Non-current Assets	14,410,166
TOTAL NON-CURRENT ASSETS	14,410,166
TOTAL ASSETS	3,020,620,538
LIABILITIES AND STOCKHOLDERS' EQUITY	
LIABILITIES	
Other Liabilities	
Safeguarding Liability	442,789,389
Post-petition Payables	375,710
TOTAL OTHER LIABILITIES	443,165,099
Liabilities Subject to Compromise	
Customer Liabilities	1,585,648,846
USD Collateral Due to Clients	3,250,981
Digital Asset Collateral Due to Clients	488,748,373
Institutional Borrowings	21,782,045
FTX Borrowings and Accrued Interest Payable	279,729,452
Regulatory Fines Payable	59,433,962
Other Liabilities	8,951,519
TOTAL LIABILITIES SUBJECT TO COMPROMISE	2,447,545,178
TOTAL LIABILITIES	2,890,710,277
TOTAL STOCKHOLDERS' EQUITY	129,910,261
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,020,620,538

BlockFi Inc.
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PART 4
CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

Debtor name:	BlockFi Inc
Case number:	22-19361
Line Item	Current period
REVENUE AND INTEREST INCOME	
Interest and Fee Revenue	\$ 343,549
Other Revenue	1,133,022
TOTAL REVENUE AND INTEREST INCOME	1,476,571
INTEREST AND TRADING EXPENSES	
Interest and Fee Expense	7,110,104
TOTAL INTEREST AND TRADING EXPENSES	7,110,104
OPERATING EXPENSES	
Personnel Expenses	3,492,456
General & Administrative	5,115,848
Software & Technology	645,272
Professional Fees	7,913,257
TOTAL OPERATING EXPENSES	17,166,833
OTHER OPERATING INCOME / (LOSS)	(143,254,936)
NET PROFIT / (LOSS)	\$ (166,055,301)

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PART 2
UNCONSOLIDATED BALANCE SHEET (UNAUDITED)

Debtor name:	BlockFi Inc
Case number:	22-19361
Line item	Current Period
ASSETS	
CURRENT ASSETS	
Cash	\$ 206,665,380
Restricted Cash	330,041
Stablecoin Held	1
Digital Assets Held	33,396
Indemnification Asset	-
Digital Assets Loaned	-
Loans, Net	-
Collateral Receivable	-
Intercompany Receivable from Affiliate Entities	998,313,716
Claims on Debtors in Bankruptcy (Estimate)	-
FTX & Alameda Claims	-
Mining Assets	-
Other Current Assets	8,688,692
TOTAL CURRENT ASSETS	1,214,031,226
NON-CURRENT ASSETS	
Deferred Tax Assets	150,700,000
Deferred Tax Assets, Valuation Allowance	(150,700,000)
Investment in Subsidiaries	899,390,004
Other Non-current Assets	13,925,491
TOTAL NON-CURRENT ASSETS	913,315,496
TOTAL ASSETS	2,127,346,722
LIABILITIES AND STOCKHOLDERS' EQUITY	
LIABILITIES	
Other Liabilities	-
Safeguarding Liability	-
Post-petition Payables	352,662
Intercompany Payable - Post-petition	10,749,361
TOTAL OTHER LIABILITIES	11,102,023
Liabilities Subject to Compromise	-
Customer Liabilities	1,011,069,089
USD Collateral Due to Clients	-
Digital Asset Collateral Due to Clients	-
Institutional Borrowings	-
Intercompany Payable to Affiliate Entities	689,243,420
FTX Borrowings and Accrued Interest Payable	279,729,452
Regulatory Fines Payable	-
Other Liabilities	6,792,476
TOTAL LIABILITIES SUBJECT TO COMPROMISE	1,986,834,437
TOTAL LIABILITIES	1,997,936,460
TOTAL STOCKHOLDERS' EQUITY	129,410,262
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,127,346,722

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PART 4
UNCONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

Debtor name:	BlockFi Inc
Case number:	22-19361
Line Item	Current period
REVENUE AND INTEREST INCOME	
Interest and Fee Revenue	\$ 2,304
Other Revenue	-
TOTAL REVENUE AND INTEREST INCOME	2,304
INTEREST AND TRADING EXPENSES	
Interest and Fee Expense	4,042,310
TOTAL INTEREST AND TRADING EXPENSES	4,042,310
OPERATING EXPENSES	
Personnel Expenses	2,751,903
General & Administrative	2,789,167
Software & Technology	461,291
Professional Fees	6,956,143
TOTAL OPERATING EXPENSES	12,958,503
OTHER OPERATING INCOME / (LOSS)	(1,277,993)
NET PROFIT / (LOSS)	\$ (18,276,503)

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5/31/23 BANK ACCOUNTS

Entity name:	Bank name	Account type	Account number (last four digits)	Period-end bank balance	Currency
BlockFi Inc	First Citizens Bank (formerly SVB)	BlockFi Inc Checking	-0719	202,415,610	USD
BlockFi Inc	First Citizens Bank (formerly SVB)	COLLATERAL MMA - Office Lease	-2610	330,041	USD
BlockFi Inc	First Citizens Bank (formerly SVB)	COLLATERAL MMA - Ankura Trust	-3354	-	USD
BlockFi Inc	First Citizens Bank (formerly SVB)	COLLATERAL MMA - Spartanburg	-7779	3,999,770	USD
BlockFi Inc	First Citizens Bank (formerly SVB)	SVB Cash Sweep Account	-7263	(0)	USD
BlockFi Inc	Paxos	Exchange	N/A	-	USD
BlockFi Inc	Webster Bank	BlockFi Inc Operating	-1779	250,000	USD
Total Debtor Amount				\$ 206,995,421	USD

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Schedule of Payments to Insiders

Debtor	Insider Name	Current Title	May Payments	Date of Payment	Account Used	Reason for Payment
BlockFi Inc	Amit Cheela	Chief Financial Officer	\$ 21,615.38	5/5/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Megan Crowell	Chief People Officer	\$ 14,423.08	5/5/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Adam Healy	Chief Security Officer	\$ 20,192.31	5/5/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Robert Loban	Chief Accounting Officer	\$ 15,384.62	5/5/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Florencia Marquez	Chief Operation Officer	\$ 19,230.77	5/5/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Jonathan Mayers	General Counsel	\$ 21,634.62	5/5/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Yuri Mushkin	Chief Risk Officer	\$ 21,153.85	5/5/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Brian Oliver	General Manager of Institutions	\$ 19,230.77	5/5/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Zachary Prince	CEO	\$ 15,384.62	5/5/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	David Spack	Chief Compliance Officer	\$ 13,321.15	5/5/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Andrew Tann	Chief Growth Officer	\$ 14,423.08	5/5/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Amit Cheela	Chief Financial Officer	\$ 21,615.38	5/19/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Megan Crowell	Chief People Officer	\$ 14,423.08	5/19/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Adam Healy	Chief Security Officer	\$ 20,192.31	5/19/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Robert Loban	Chief Accounting Officer	\$ 15,384.62	5/19/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Florencia Marquez	Chief Operation Officer	\$ 19,230.77	5/19/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Jonathan Mayers	General Counsel	\$ 21,634.62	5/19/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Yuri Mushkin	Chief Risk Officer	\$ 21,153.85	5/19/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Brian Oliver	General Manager of Institutions	\$ 19,230.77	5/19/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Zachary Prince	CEO	\$ 15,384.62	5/19/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	David Spack	Chief Compliance Officer	\$ 13,321.15	5/19/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages
BlockFi Inc	Andrew Tann	Chief Growth Officer	\$ 14,423.08	5/19/2023	TriNet, via Silicon Vally Bank *0719	Gross Wages

Debtor	Insider Name	Current Title	May Payments	Date of Payment	Account Used	Reason for Payment
BlockFi Inc	Tony Lauro	Director	\$ 20,833.33	5/12/2023	SVB 0719	Board Salary - May
BlockFi Wallet LLC	Pamela Corrie	Director	\$ 35,000.00	5/4/2023	SVB 0719	Board Salary - May
BlockFi Lending LLC	Harvey Tepner	Director	\$ 35,000.00	5/4/2023	SVB 0719	Board Salary - May
BlockFi Inc	Jennifer Hill	Director	\$ 55,000.00	5/4/2023	SVB 0719	Board Salary - May + per diem deposition

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Schedule of Capital Assets

Asset Type	5/1/23 BV	Amortization	5/31/23 BV
Fixed Assets	\$ 7,536	\$ -	\$ 7,536
Internally Developed Software	2,726,997	-	2,726,997
Leasehold Improvements	59,440	-	59,440
Software	58,333	-	58,333
Total	\$ 2,852,306	\$ -	\$ 2,852,306

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Schedule of Payments to Professionals

Name of Professional	Role	Date of Retention	Amount Approved by Court ¹	Retainer and Cumulative Amounts ¹	Amount Paid Over and Above Retainer
Brown Rudnick	Official Committee of Unsecured Creditors Counsel	n/a	\$ -	\$ 4,208,048	\$ 4,208,048
Cole Schotz P.C.	NJ Bankruptcy Counsel	11/21/2022	\$ 49,996	\$ 350,758	\$ 250,758
Covington & Burling LLP	Compliance, State Regulatory Matters	11/17/2022	\$ -	\$ 175,180	\$ 115,180
Genova Burns	Official Committee of Unsecured Creditors Counsel	n/a	\$ 306,870	\$ 379,030	\$ 379,030
Haynes and Boone, LLP	Bankruptcy Counsel	11/13/2022	\$ 1,331,370	\$ 7,573,912	\$ 7,498,912
Hodgson Russ	Ordinary Course Professionals (OCP)	n/a	\$ -	\$ 70	\$ 70
Kirkland & Ellis LLP	Bankruptcy Counsel	11/15/2022	\$ 2,827,666	\$ 7,040,588	\$ 6,940,588
Kroll Restructuring Administration	Claims and Noticing Agent Services	11/17/2022	\$ 1,154,007	\$ 10,231,860	\$ 10,081,860
Moelis & Company, LLC	Company's financial advisor, capital markets advisor and investment banker	11/20/2022	\$ 351,001	\$ 3,076,550	\$ 2,351,550
Morris, Nichols, Arsht and Tunnel	DE Counsel for FTX bankruptcy	11/16/2022	\$ 31,173	\$ 227,441	\$ 202,441
Schjodt	Norwegian counsel (Mining workout)	11/17/2022	\$ -	\$ 143,295	\$ 28,295
US Bankruptcy Trustee	US Bankruptcy Trustee	n/a	\$ 256,585	\$ 342,238	\$ 342,238
M3 Advisory Partners, LP	Official Committee of Unsecured Creditors Financial Advisor	1/25/2023	\$ 971,135	\$ 971,135	\$ 971,135
Elementus	Official Committee of Unsecured Creditors Financial Advisor	1/25/2023	\$ 797,723	\$ 797,723	\$ 797,723

¹ For the avoidance of doubt, the amounts reflected in the columns titled "Approved Current Month" and "Approved Cumulative" represent amounts that have been paid pursuant to monthly fee applications following the applicable objection deadlines in accordance with the Administrative Fee Order [Docket No. 307], but which have not yet been "allowed" pursuant to order of the Court.